CHAPTER XXXII—COINS.

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Extent of Application.

516. Under the Mysore Coinage Regulation, VII of 1900, the coins of the Government of India are declared to be legal tender in Mysore in the cases in which such coins would, under the law for the time being in force, be legal tender in British India, and all laws and rules for the time being applicable to coins current in British India apply to coins current in Mysore. The rules contained in the Resource Manual of the Government of India will therefore apply *mutatis mutandis* to Mysore.

Kinds of Coin.

517. Under the Indian Coinage Act (Act III of 1906) as amended from time to time, the following coins may be issued:—

(*a*) *Silver.*—Rupee, half-rupee and quarter-rupee. The standard weight of the rupee is 180 grains troy, eleven-twelfths fine, and the other silver coins are of proportionate weight.

NOTE.—Under Act IV of 1918, silver eighth-rupees are no longer coined and issued, but coins previously issued continue to be legal tender for the amounts and under the conditions specified below.

(*b*) *Nickel.*—Four-anna piece, two anna piece and one-anna piece, the standard weights of which are 105, 90 and 60 grains troy, respectively.

(*c*) *Bronze.*—Single pice or quarter-anna, and pie or one-twelfth of an anna. The standard weight of the pice is 75 grains troy, and the other bronze coin is of proportionate weight.

The rupee and the silver half-rupee are legal tender to any amount, and the quarter-rupee and eighth-rupee for any sum not

exceeding one rupee, provided they satisfy the conditions of currency laid down in Article 528. Nickel and bronze coins are legal tender for any sum not exceeding one rupee.

518. Silver coins of the denominations specified in Article 517 (*a*) above and the note under it and coined and issued under the Coinage Act of 1835 and subsequent Acts, are still legal tender for the amounts stated in that Article provided that they satisfy the conditions of currency laid down in Article 528. All silver coins issued under these Acts bear as device the head of the reigning sovereign (King William IV, Queen or Empress Victoria, Edward VII, King and Emperor, or George V, King and Emperor) and no coin which does not bear such a device is legal tender.

519. Copper coin of the denominations specified in Article 517 (*c*) and also double pice coined and issued under the Coinage Act of 1835 and subsequent Acts are still legal tender for any sum not exceeding one rupee. All such coins bear as device the head of one of the reigning sovereigns named in Article 518.

520. Gold coins, whether coined at His Majesty's Royal Mint in England or at any Mint established in pursuance of a proclamation of His Majesty as a branch of His Majesty's Royal Mint, are also legal tender under Act III of 1906 at the rate of Rs. 10 per sovereign, provided they satisfy the conditions of currency given in Article 526.

521. The coins generally in circulation are the sovereign and the half-sovereign but two-pound and five-pound pieces have also been issued from the Royal Mint. They should be received at all treasuries in exchange for notes or rupees or in payment to Government on any account, provided they satisfy the conditions of currency. They should not be re-issued from any treasury, but should be dealt with under instructions from the Comptroller in Mysore.

522. The following are special rules for the receipt at treasuries of coin which is not legal tender in accordance with Articles 517 to 521.

(*a*) Copper, bronze, nickel and small silver coins should be received in payments to Government to any amount, although they are legal tender only for a sum not exceeding one rupee.

NOTE.—Treasury officers should also exchange worn small silver coins presented by Government officers for that purpose, provided that such exchange causes no inconvenience to the treasury and that the coins have not been fraudulently defaced or have not lost more than 25 per cent in weight.

(*b*) Silver coins issued before 1st September 1835, that is to say, all silver coins issued by the East India Company bearing

merely inscriptions in Indian character (chief among which are the coins known as "Furrukhabad" and "Murshidabad" rupees) should be received at the treasuries at the following rates:—

(1) At 8 annas a tola, for each tender of 500 coins or less; and

(2) for amounts in excess of this number, at bullion value calculated at the market rate of silver of the day, to be ascertained from the Comptroller.

(*c*) Copper coin bearing any trace of mintage by the East India Company, *e.g.*, coin having as a device a pair of scales and XX cash (of which the value is one-third of an anna) should be received in payment of Government dues up to any amount.

Exchange of Small Coin.

523. Bronze and nickel coins (and copper and small silver coins subject to any special instructions which may be issued for their withdrawal) should be issued freely to persons wishing for them either in payment of claims against Government or in exchange for rupees, for sovereigns or for currency notes which the treasury may be cashing. Treasury officers are responsible for seeing that a sufficient stock of small coin is maintained to meet all such demands.

Care is also to be taken to let it be openly known that all small coins are obtainable both at the District and Taluk treasuries, without obstacle and without charge for exchange and to ensure that they really are so obtainable.

524. (*a*) Rupees and currency notes should be issued freely in exchange for legal tender copper, bronze or nickel coin in parcels of the value of not less than two rupees at every treasury.

(*b*) Whenever large bodies of men are assembled on public works under construction for purposes of famine relief or otherwise, the local authorities should make special arrangements to supply on the spot notes and rupees in exchange for the legal tender copper, bronze or nickel coin which may be collected by the purveyors or foremen at such assemblage.

525. If the orders in the last article are carried out, legal tender copper, bronze and nickel coin should never circulate at a discount. If nevertheless legal tender copper, bronze or nickel coin does at any time, or any-where, circulate at a discount or at a premium, the circumstances should be immediately reported to Government and the Comptroller with full explanation of the supposed causes and of the remedial measures taken.

Conditions of Currency.

526. No gold or silver coin is legal tender if it has been defaced. Defacement includes clipping, filing, stamping or such other alteration on the surface or in the shape of a coin as is readily distinguishable from the effects of reasonable wear.

527. Sovereigns and half-sovereigns are legal tender if they have not been defaced and if their weights are not less than 122·5 and 61·125 grains, respectively.

528. Silver coins minted by the Government of India, which have not been defaced, are legal tender as long as they have not diminished in weight by more than the amounts shown below:—

Rupee and half-rupee.	2 per cent below standard weight.
Quarter-rupee and eighth-rupee.	12½ per cent below standard weight.

529. The Coinage Act does not prescribe any conditions of currency for nickel, bronze or copper coin. Such coins, therefore, are legal tender even if they are worn or defaced, provided that they bear traces of Government Mintage.

Cutting or Breaking of Counterfeit and Diminished Coin.

530. (*a*) Section 16 of Act III of 1906 provides that when any silver coin which has been coined and issued under the authority of the Governor-General in Council is tendered to any person authorised by Government to act under that section and such person has reason to believe that the coin.

(i) has been diminished in weight so as to be more than such percentage below standard weight as may be prescribed as the limit of reasonable wear, or

(ii) has been defaced, he shall, by himself or another, cut or break the coin.

NOTE.—A loss of 6¼% below standard weight in the case of the rupee and of 12½% in the case of the half, quarter and eighth-rupee has been prescribed by the Government of India as the limit of reasonable wear.

(*b*) Section 20 of Act III of 1906 as amended by Act XXI of 1919, similarly provides that when any silver or nickel coin purporting to be coined or issued under the authority of the Governor-General in Council is tendered to any person authorised by Government to act under that section and such person has reason to believe that the coin is counterfeit, he shall, by himself or another, cut or break the coin.

531. (*a*) The Treasury Officers have been authorised by Government to cut or break diminished, defaced and counterfeit coins :—

NOTE.—No coin may be cut without previous examination by the officer empowered to cut, who should not delegate the power conferred by this Article to subordinates.

(*b*) The following persons have been authorised by Government to cut or break counterfeit coins under Section 20 of the Indian Coinage Act III of 1906.

The Chief Officer of the Bank of Mysore or of any of its branches.

NOTE.—It has been found that in some treasuries coins are constantly cut or broken, while in the neighbouring treasuries few or none are so dealt with, and that in some treasuries, the cut coins consist solely, or chiefly, of eight-anna piece, while in others rupees alone are cut. The attention of Treasury officers is therefore called to the importance of that part of their duties which consist in the examination of coin presented by the public, and its withdrawal from circulation if tampered with or unduly worn.

532. In cutting or breaking any coin, officers should avoid completely dividing it, as it is often convenient to identify the parts of a particular coin. Such identification becomes practically impossible if the pieces are wholly separated. Care should however be taken that the destruction is complete.

Detailed Rules regarding Acceptance of Coin.

533. As sovereigns and half sovereigns are minted by Royal Mints and are subject to British legislation, they should be dealt with in accordance with the following special rules :—

(1) The least current weights for sovereigns and half-sovereigns are 122·5 and 61·125 grains, respectively. Even though they are below the least current weights they should be received at Government treasuries at the following rates :—

(*a*) When they have not been reduced by more than 3 grains below standard weight, *i.e.*, are not less in weight than grains 120·27447 and 58·63723, respectively (the standard weight being 123·27447 and 61·63723 grains, respectively), at their face value.

(*b*) When they are of less weight than 120·27447 and 58·63723 grains, respectively, at their bullion value by weight.

Provided that they have not been illegally dealt with, *i.e.*, have not been impaired, diminished or lightened otherwise than by fair wear and tear or

defaced by having any name, word, device or number stamped thereon, whether the coin has or has not been thereby diminished or lightened. Coins below the least current weights should not however be re-issued to the public, but should be remitted to the State Huzur Treasury for being sent to the Imperial Bank of India, Bangalore, for realization of their bullion value. Coins which are of less weight than 120·27447 and 58·63723 grains will be paid for at the rate of 12·3274 grains or ·068485 tola for one rupee.

(2) Sovereigns and half-sovereigns to which solder or other metal has been attached will also be accepted at Government treasuries, but in determining their weight, the weight of such solder or other metal should not be taken into account. If after removal of the solder the coins do not weigh less than 120·27447 and 58·63723 grains, they will be accepted at their face value; otherwise, they will be paid for at the rate of 12·3274 grains or ·068485 tola for one rupee.

(3) Criminally sweated sovereigns and half-sovereigns should be received in the treasuries at their bullion value, *viz.*, 12·3274 grains or ·068485 tola for one rupee. They should not be re-issued but should be remitted to the State Huzur Treasury for being sent to the Mint under the order of the Comptroller.

(4) Minimum weights for 122·5; 61·125; 120·27447 and 58·63723 grains for testing sovereigns and half-sovereigns may be obtained from the Calcutta Mint on application to the Deputy Controller of the Currency through the Comptroller.

534. Any person authorised to cut or break counterfeit silver or nickel coin may at his discretion either return the cut coin to the tenderer, who shall bear the loss caused by such cutting or breaking, or in the case of silver coins receive and pay for the coin according to the value of the bullion contained in it.

535. When it can be done with the consent of the tenderer, counterfeit coins tendered to Treasury Officers and others authorised to cut or break them, should be sent to the Mint at Calcutta or Bombay under orders of the Comptroller. Each coin should be put in a separate wrapper bearing the name of the treasury, a mark and date whereby it may be traced with certainty in the event of any correspondence. If the tenderer, however, does not consent to the counterfeit coin being sent to the Mint, unless the broken pieces are afterwards returned to him, the coin should not be sent at all. It is, however, open to

any authorised officer to whom such a coin is tendered, in cases where the tenderer is otherwise unwilling to part with it, to purchase it from him at its bullion value, or at a suitable price, not exceeding its nominal value, charging its cost to Government. This course should only be followed when from the excellence of the execution or for any other special cause it seems desirable that the coin should be acquired as a specimen, in which case the officer purchasing the same should, when forwarding it to the Mint, state at the same time the grounds upon which its purchase was considered desirable.

NOTE.—When, however, any unusually large amount of counterfeit coins is tendered at treasuries or the existence of such coins in circulation in large quantities in any locality is otherwise brought to their notice, special report on the subject should be submitted to the Comptroller for suitable action being taken.

536. When counterfeit coins come before any Criminal Court under the procedure prescribed under Sections 517, 523 and 524 of the Criminal Procedure Code (Regulation I of 1886), they shall be sent to the nearest Taluk or District treasury for being dealt with in the manner prescribed in Article 535. Coins so sent may be received by the treasuries and sent on to the State Huzur Treasury for transmission to the Imperial Bank of India, Bangalore, for disposal. (Rule of Practice No. 68, dated 15th June 1899, issued by the Chief Court.)

NOTE.—With these coins, a short description of the case should be furnished and any implements such as dies, moulds, etc., which may have been found, should be sent. These receipts should be kept quite separately from coins withdrawn by the Treasury Officers, etc., and each remittance by a Judicial Officer should be put into a separate wrapper with details of the source of receipt of the coins and other particulars.

537. Counterfeit silver coin found in a remittance should be broken and sent to the Mint in accordance with Article 535. Counterfeit nickel coin received in a remittance should be returned to the remitting treasury if the treasurer of the remitting treasury wishes them to be returned and is willing to bear the cost of returning them; otherwise, they should be sent to the Mint in accordance with Article 535.

538. When a rupee or half-rupee, which has been diminished in weight so as to be more than 2 per cent but not more than 6¼ per cent or 12½ per cent, respectively, below standard weight and which has not been fraudulently defaced, is tendered to any person mentioned in Article 531, such person shall accept the coin at its nominal value and the coin shall thereupon be cut and withdrawn from circulation at Government cost.

539. When a rupee or half-rupee, which has been diminished in weight so as to be more than 6¼ per cent or 12½ per cent, respectively, but not more than 25 per cent below standard weight and which has not been fraudulently defaced, is tendered to any person mentioned in Article 531, such person shall cut or break such rupee or half-rupee and if the tenderer so requests, instead of returning the cut coin, accept it at the following rates, namely:—

(1) Rupees weighing between 15/16ths and 7/8ths of their proper weight, at the rate of 14 annas;

(2) Rupees weighing between 7/8ths and 13/16ths of their proper weight, at the rate of 13 annas;

(3) Rupees weighing between 13/16ths and 3/4ths of their proper weight, at the rate of 12 annas; and

(4) Half-rupees at the rate of 6 annas.

540. When a quarter or eighth-rupee, which has been diminished in weight so as to be more than 12½ per cent but not more than 25 per cent below standard weight and which has not been fraudulently defaced is tendered to any person mentioned in Article 531, such person shall cut or break such quarter or eighth rupee, and if the tenderer so requests, instead of returning the cut coin, accept it at its nominal value, and it shall thereupon be withdrawn from circulation at Government cost.

541. Soldered and shroff-marked coins are defaced (but not fraudulently defaced) coins under Act III of 1906 and should be received and paid for in the manner prescribed in Articles 538 to 540. In determining the weight of coin to which solder or other metal has been attached the weight of such solder or other metal shall not be taken into account. Ordinarily presenters should be required to remove as much as possible of the solder at their own cost.

542. When a silver coin which has been fraudulently defaced is tendered to any person mentioned in Article 531, such person shall cut or break the coin and return the cut coin to the tenderer who shall bear the loss caused by such cutting or breaking. If the defacement is not fraudulent, the coin shall be received at the rates prescribed in Articles 538 to 540, but shall not be re-issued.

NOTE 1.—A coin which there is reason to believe has been defaced by sweating or bears on its surface radial striæ shall be deemed to have been fraudulently defaced.

(2) "Burnt" coins should not be received at treasuries. The presenter should be directed to send them to the nearest Mint, where they will be melted and paid for, at Re. 1 per standard tola for the portion definitely identifiable as British India coins and at market rate for the unidentifiable metal.

543. Defaced nickel, bronze and copper coins are legal tender and should be accepted at treasuries. But if they are soldered, or otherwise unfit for re-issue, they should not be issued to the public but should be dealt with like other uncurrent coin.

544. (*a*) For testing silver coin, minimum weights of 15/16, 7/8, 13/16, 3/4, 7/16, 3/8, 3/16 and 3/32 tola a piece are obtainable from the Mints on application to the Deputy Controller of the Currency through the Comptroller. To enable a Treasury Officer to determine whether a rupee, half-rupee, quarter rupee or eighth-rupee is fit for re-issue or not, minimum weights of 176·4, 88·2, 39·375 and 19·6875 grains respectively, are also supplied by the Mints on indents submitted through the Deputy Controller of the Currency. Applications for the required weights from District treasuries should be sent to Comptroller who will arrange for their supply. As the scales ordinarily used by Indian Jewellers are sufficient for these tests, scales are not supplied by the Mint Masters.

545. (*a*) Coins should never be directly weighed against the minimum weight, that is to say, it is incorrect to place the minimum weight in one pan and the coin in the other, as, if the arms of the scale are not of exactly the same length, the weighment is false. At the beginning of work, the minimum weights should be placed in one pan, and should be balanced exactly by pieces of metal placed in the other pan. The minimum weight should then be removed from its pan and the coins to be tested should be placed one after another on the pan from which the minimum weight has been removed. The minimum weight should only be put back in its pan to test the counterpoise occasionally during the day. If this method, which is the only correct one, be adopted, any error due to difference of length of arms of the balance, however minute, is avoided, and wear and tear of the minimum weight will be greatly reduced.

(*b*) Minimum weight should invariably be replaced carefully in the boxes in which they are supplied and every care taken to avoid any abrasion.

546. Uncut rupees and half-rupees found in remittances from treasuries which have lost more than 6¼ per cent and 12½ per cent, respectively, but not more than 25 per cent in weight will be cut on receipt and credited at one rupee per tola on their total weight. Coins that have lost more than 2 per cent but not more than 6¼ per cent in weight through reasonable wear in the case of the rupee and 12½ per cent in the case of the half-rupee should be dealt with as follows. If their number does not exceed ½ per cent of the whole remittance, they should be credited at

their nominal value, but if their number exceeds ½ per cent, the fact should be reported to the Comptroller who will exercise discretion, having regard to the circumstances of each particular case, as to whether a penalty of crediting the excess over ½ per cent at the rate of one rupee a tola should be imposed on the remitting Treasurer or not. Thus, where the excess is only trifling and the remitting office concerned is not a constant offender, the penalty may be remitted but where these conditions do not exist, it should be enforced.

Withdrawal of Coin from Circulation.

547. The above rules provide for the withdrawal of counterfeit, light-weight and defaced coin from circulation, but in order to maintain the currency in the hands of the public in as good a condition as possible, the following coins also should be withdrawn from circulation whenever they are received at a Government treasury, although they are legal tender.

(*a*) Rupees and half-rupees of the mintage of 1835, 1840 and 1911.

(*b*) Silver quarter and eighth-rupees which are worn to such an extent that the device is faint or obliterated.

(*c*) Silver coins of full weight which have any defect in coinage, *e.g.*, they may be split, scaled or bear the impress of one die only or ring badly.

(*d*) Nickel and bronze coins which are defaced or which are so worn that the denomination and date are not easily decipherable.

(*e*) Copper coins which are defaced or badly worn or which for any other reason are considered to be unfit for circulation.

(*f*) All double pice.

548. Treasury Officers should remember that the state of the currency in the hands of the public is largely dependent on the strict observance at treasuries of the above rules for the withdrawal of coins which are unfit for circulation. Treasurers and their shroffs are primarily responsible for this work but constant supervision should be maintained by the Treasury Officers, and if it appears that the number of coin withdrawn from circulation is small, special steps should be taken to see that all coins received at the treasury are properly shroffed.

Disposal of cut or broken and uncurrent Copper coins.

549. All coins received by Government officers under these rules and withdrawn from circulation should, whether or not it

has been cut or broken under these rules, be sent by the first convenient opportunity to the State Huzur Treasury. Such coin will be credited in the officer's cash balance as "uncurrent coin" at the actual value at which it has been received and on transfer to the State Huzur Treasury, will be credited at the rates prescribed in these rules.

550. The State Huzur Treasury Officer will send such coins to the Imperial Bank of India, Bangalore, which will pay one rupee per tola weight on all cut, light-weight and other silver coins.

551. Silver coin received by a person other than a Government officer under these rules and withdrawn from circulation should, whether or not it has been cut or broken under these rules, be sent to the nearest Government treasury, where it will be paid for at the rates respectively prescribed in these rules and thereafter it will be dealt with in the manner prescribed in Articles 549 and 550.

552. Officers in charge of Government treasuries will receive without objection any copper coin, however greatly worn, which bears any trace of Government mintage.

No copper coin which was coined before Act XXI of 1835 came into force, shall be re-issued from any treasury, nor shall any copper coin be re-issued which is considered unfit for circulation. All such coins will be sent to the State Huzur Treasury for being remitted to the Imperial Bank of India, Bangalore.

NOTE.—Copper coins having as a device a pair of scales come under the definition of copper coin coined before Act XXI of 1835 came into force.

Returns.

553. Uncurrent silver coins received at treasuries, under Articles 522, 538, 541, 546 and 547, as well as other defaced coins withdrawn from circulation will be entered in a separate register in Form 108 at the end of the day of their receipt and the several kind of coins will be kept in separate bags under double locks. A separate record of silver coins cut under the rules but not paid for will be maintained in Form 109.

554. (*a*) The total amount of 1835, 1840, 1911, light-weight, shroff-marked, soldered and other defaced uncurrent and defective coins as well as coins called in by proclamation, withdrawn from circulation and held in a treasury should be shown separately in the monthly cash balance report.

(*b*) The monthly cash balance report to the Comptroller should show the balances of silver and other coins withdrawn from circulation.

NOTE.—A statement in Form 110 of silver coins cut in the Taluk treasury by reason of their light-weight, should be furnished to the District treasury quarterly showing their denomination, number and value; those cut and received on payment should be shown separately from those cut and rejected. A consolidated statement for the whole district in the same form should be sent to the Comptroller annually by the 15th of January.

Supply of Coins.

555. (*a*) The Treasury Officer is responsible for maintaining, at his treasury, a sufficient supply of all kinds of coin for issue to the public.

(*b*) It has been arranged with the Government of India that the Mysore State shall pay, in addition to the full nominal value, the actual cost of remittance from Madras on the value of remittance of small silver obtained through the Accountant-General, Madras, from the reserve treasuries in British India.

(*c*) Copper coin of British Mintage is supplied to Native States under the Financial Department No. 4791, dated 7th November 1882. The issues are made under special order of the Controller of the Currency, the Native States paying full nominal value, and the Government of India paying cost of carriage to the place, where the coin is required for issue. The coinage of pure copper having been stopped under Act III of 1906, this supply will in future be made in bronze or copper or partly in bronze and partly in copper as convenient.

(*d*) Nickel coins are also supplied to the Native States on the same terms as bronze.

(*e*) The Comptroller will arrange for supply of small coins required by the treasuries on receipt of an indent in the form prescribed in Article 581.